1

Asia's Security Environment

From Subordinate to Region Dominant System

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To provide the context for investigating the roles of nuclear weapons and their implications for regional security and stability, this chapter maps Asia's present security environment and likely changes in that environment. It advances four propositions. First, contemporary Asia's security environment is fundamentally different from that of the Cold War period when Asia was a subordinate security region penetrated and dominated by the ideological and strategic confrontation between the United States and the Soviet Union. Today, Asia has become a core world region with distinctive economic, normative, and institutional features. The dynamics of security in Asia are increasingly shaped by the interaction of interests and priorities of states in the Asian security region. Conflict formation, management, and resolution are grounded largely in regional and local dynamics. Extraregional actors are involved but their salience derives from their interaction with Asian state and nonstate actors on issues of mutual concern.

Second, Asia's security environment is likely to substantially alter over the next two to three decades. Escalation or resolution of regional conflicts (Taiwan, Korea, and Kashmir) and regime change in countries like China, Indonesia, and Pakistan could bring about interaction change at a subregional level. They may also trigger broader changes. More fundamental system-level consequences, however, are likely to result from two ongoing trends. One is the rise of Asian powers, their quests for power, status, and wealth, and differing visions of regional order set in a context of the continuing desire of the United States to remain the preeminent power in Asia. The sustained rise of Asian powers is likely to result in gradual structure change and make relative gain considerations and strategic competition more significant. China's rise would pose the most significant challenge to the U.S.-dominated security order in Asia making Sino-American relations the

primary security dynamic with regionwide security implications. Sino-Japanese and Sino-Indian relationships would also become consequential. How these relationships evolve and interact with each other, and the "eventual" configuration of relations among major powers, however, remain uncertain. Although several outcomes are possible, I argue that a gradual transition from a U.S.-centered system to a loose informal balance-of-power system with the de facto purpose of preventing domination of Asia by a single power is likely. Although the U.S. power and influence in Asia will decline, it will remain the lead power over the next two decades.

The continuing dynamism of Asian economies and their increasing integration into regional and global economies is another important driver of change. It creates a dynamic that reinforces as well as counteracts strategic competition. As their economic power increases, Asian countries would be able to devote greater resources to build military capabilities and other capacities to pursue competing foreign policy objectives. This could intensify strategic competition. Growing economic integration and interdependence could, on the other hand, temper competition and modify adversarial relationships by creating alternative lines of interaction and vested interest in peace and stability. Regional cooperation and rule-governed interaction for mutual economic benefit could have spillover effects and reinforce peace and security. Interaction of the two drivers of change makes for a complicated strategic picture that defies single theory explanation and prediction. The Asian strategic situation is more akin to that of complex interdependence characterized by cooperation, competition, and conflict.

Third, the chapter posits that although it will not be free of tension and will be characterized by a significant degree of uncertainty and hedging, the gradual transition from a U.S.-centered system to an informal balance-of-power system is likely to be relatively peaceful. The primary attention of Asian states in the next decade or more would be internally directed toward economic growth, modernization, state and nation building, and addressing domestic challenges. Maintaining a stable international environment that is conducive to the pursuit of these national goals and preventing international interference in their domestic affairs will be a primary foreign policy objective and determinant of security order. This does not imply that states will not seek to build national power and influence, alter the status quo, or engage in strategic competition. These pursuits will be moderated by other concerns, priorities, and deep interest in stability. Finally, the chapter argues that military force will remain an important instrument of policy in the interaction of major powers, but largely in defense, deterrence, and assurance roles, not in aggression. States will seek to avoid strategic confrontation and full-scale war but at the same time hedge against uncertainty and unanticipated developments. In strategic matters, the behavior of major powers will approximate more closely to defensive realism than offensive realism.

From a Subordinate to a Region Dominant Security System

Over the past century, Asia has traveled from a position of imperial subordination and fragmentation to a position of substantial strength, with several Asian states having the power to influence regional and global affairs. From the sixteenth century to the mid-twentieth century, international politics in Asia was dominated by the intrusion of Western powers (much earlier in South and Southeast Asia than in Northeast Asia) and later by imperial Japan (from the late nineteenth century).[1] The colonial and semicolonial era ended the indigenous interstate systems that had operated in Asia and transformed the nature and boundaries of Asian political units and their economies. Upon independence, these countries (though some had long histories, almost all were new as modern nation-states) were integrated into the global international system still dominated by the West. For much of the Cold War, Asia was a subordinate security region penetrated and dominated by the ideological and strategic confrontation between the two superpowers.

Cold War Asia: A Subordinate Security Region

A loose Asia-wide regional security system emerged for the first time in history upon decolonization, which coincided with the onset of the Cold War. The intense zero-sum ideological and military confrontation between the United States (leader of the so-called free world) and the Soviet Union (leader of the socialist world), with Europe as the focal point, infused and shaped the Asian security environment. The intrusion of superpower confrontation created connections among Asian powers and subregions that otherwise would have been relatively isolated. At the same time, the Soviet-American struggle polarized Asia into two rival blocs, with China initially allying with the Soviet Union, and Japan deeply bound to the United States. In this context, some Asian countries, with India as a leader, opted for nonalignment. With the onset of the Sino-Soviet conflict, and Washington's adoption of the Guam doctrine, China aligned with the United States (and Japan) against the Soviet Union. After the 1962 Sino-Indian war, New Delhi gradually leaned toward Moscow while Washington, Tokyo, and Beijing drew closer. Local conflicts such as the many communist insurgencies in Southeast Asia, the Taiwan Strait conflict, the Vietnam wars, the Cambodian conflict, and to a lesser degree the India-Pakistan conflict were all penetrated, overlaid, or transformed by the conflicts and rivalries between the superpowers.

No Asian power could stand alone. India's initial attempt to develop a position independent of the bipolar confrontation was not successful. All three Asian powers (China, Japan, and India) chose alliance or alignment with one of the two superpowers. In the 1950s and early 1960s, China allied with the Soviet Union to deal with the threat posed by the United States. The latter perceived China as

presenting the foremost security threat to the free world in Asia and had threatened a nuclear attack against it during the Korean War. However, Moscow's reluctant support of China during the Korean War and the 1958 Taiwan crisis, China's growing concern that an alliance with the Soviet Union might compromise its national interests and complicate military planning, fear of abandonment in the event of a crisis, and emerging tensions with Moscow argued the case for self-reliance, impelling Beijing to accelerate its nuclear program, leading to the 1964 atomic and 1967 hydrogen bomb tests (Goldstein 2000: 62–90). However, despite the tests, as a second-rank power still lacking an effective deterrence capability, and now perceiving its primary security threat as emanating from Moscow, Beijing entered into a strategic alignment with Washington. It stressed the common Soviet threat to free ride on the U.S. strategic deterrent. Only in the 1980s did China begin to assume a more independent security posture, mediating the impact of the bipolar confrontation on the strategic situation in Asia.

Under American tutelage and subsequent concern with the Soviet threat, Japan relied on its security alliance with the United States, including the nuclear umbrella of that country. However, unlike Washington, Tokyo did not perceive a security threat from Beijing and worried about becoming entrapped in the U.S. policy of containing China. Tokyo's concern eased with the development of the U.S.-China rapprochement and strategic alignment in the 1970s against the Soviet Union, which Japan perceived as the primary threat. As observed earlier, India's effort to position itself apart from the bipolar confrontation was not successful. New Delhi leaned toward Moscow because of its concern with China that became heightened after India's defeat in 1962, the U.S. pro-Pakistan position in the India-Pakistan conflict, and Sino-American rapprochement. India and the Soviet Union entered into a de facto alliance in 1971. Although like China, but much later, India took sides in the Cold War in pursuit of its own national interests, it was less deeply involved in the bipolar confrontation. India's nuclear weapon program had its roots in the confrontations with China and Pakistan. The drivers of the Indian nuclear program have been the subject of much debate, with some analysts arguing the primacy of domestic variables, and others positing greater salience of the international security rationale (Jones and Ganguly 2000; Tellis 2001: 20–115). Rajesh Rajagopalan notes in this volume that a strong case can be made that the need for and direction of the Indian nuclear weapon program was driven in large part by the security rationale, while its pace may have been influenced by limited technological capabilities in the 1960s and by domestic political and bureaucratic factors.

Pakistan more explicitly engaged in the Cold War through its alliance with the United States and later alignment with China, but its principal focus was India, not China or the Soviet Union. Pakistan's nuclear weapon program was initiated in the aftermath of its crushing defeat by India in the 1971 war, the ensuing

dismemberment of Pakistan, and the peaceful Indian nuclear test in 1974. Subsequent development of the program had to do with military domination of politics in Pakistan and Islamabad's desire to counter and compete with India. The development of Pakistan's program, however, benefited from Chinese assistance in the context of the Sino-Indian conflict and U.S. diplomatic and military support during the Cold War. Perceiving Pakistan as a close ally, U.S. support included turning a blind eye to Pakistan's nuclear weapon program.

Unlike the India-Pakistan conflict, which was only marginally connected to the Cold War confrontation, the conflicts across the Taiwan Strait and on the Korean peninsula were produced by or became deeply enmeshed in the Cold War. In the conflict between the Chinese Communist Party (CCP) and the Guomindang or Nationalist Party (KMT) over which was the rightful government of China, the United States backed the KMT and became committed to defending Taiwan, while the People's Republic of China (PRC) relied on the Soviet Union. On the Korean peninsula, the Cold War divided the peninsula. The United States backed the Republic of Korea (ROK, or South Korea), and China and the Soviet Union backed the Democratic People's Republic of Korea (DPRK, or North Korea). Taiwan and South Korea became pawns in the game of great power competition. Their survival was contingent on the commitment of Washington. Both countries feared abandonment by the United States.

The Chinese nuclear test in 1964, U.S. refusal to bomb China's nuclear facilities, and virtual "abandonment" of Taiwan by Washington in its rapprochement with Beijing in the 1970s motivated Taipei to embark on an indigenous nuclear weapon program (Mitchell 2004). Under intense U.S. pressure, in 1976 Taipei committed itself not to acquire or engage in reprocessing. Despite this, Washington discovered in 1988 that Taiwan was within a year or two of building a nuclear bomb. Again under intense U.S. pressure, Taiwan agreed to conclusively and verifiably end the program. Similarly, the 1969 Guam doctrine (which sought to shift the burden of defense responsibility to Asian states) and the Sino-American rapprochement in 1971–72 (which marginalized Taiwan) created much insecurity in Seoul and led to the institution of a covert nuclear weapon program (Pollack and Reiss 2004). This program was ended under U.S. pressure, which included the threat of abrogation of the bilateral security treaty. In both cases, erosion of the credibility of the U.S. security commitment was the key variable in the decisions to embark on indigenous nuclear weapon programs.

From the preceding brief discussion, it is evident that the loose Cold War Asian security system was subordinate to and deeply penetrated by global bipolarity and the dynamics of superpower competition. Conflict formation and management, the responses of regional states and relations among them, and the security policies of Asian states (including nuclear policies) were heavily influenced by a global structure over which they had little control and by a set of largely external

dynamics. Except in maritime Southeast Asia, which was the only Asian subregion until the 1980s to witness the development of indigenous multilateral subregional cooperation, all other regional efforts were led by one of the two superpowers and took the form of alliances or strategic alignments. During much of the Cold War era Asia was a subordinate region and a theater of several hot wars that had their primary drivers elsewhere.

Asia Becomes a Core World Region

Beginning in the mid- to late-1980s Asia emerged as a distinct core world region. Economic dynamism of Asian countries, growing interdependence among them and with other power centers, forging of a shared regional normative structure among Asian states, and development of regionwide institutions have been crucial drivers and indicators of regional distinctiveness and the emergence of Asia as a core world region.

Dramatic economic growth of East Asian countries (Japan, South Korea, Taiwan, and Hong Kong) and certain Association of Southeast Asian Nations (ASEAN) countries (Singapore, Thailand, Malaysia, and Indonesia) in the 1970s and 1980s combined with growing intraregional economic interaction (trade, investment, and manufacturing) centered on Japan provided the initial impetus for regionalization and recognition of East Asia as a significant economic region (Katzenstein and Shiraishi 1996). By 1990, East and Southeast Asian countries minus China had become major trading partners of the United States and the European Union. In the late 1980s, it was conventional wisdom to assert that with the meteoric rise of Japan and the newly industrializing countries (NICs), the center of the word economy was shifting to the Pacific Basin (Gilpin 1987). The opening up of the Chinese economy in 1979 and its sustained rapid growth since then has further increased the economic weight of Asia. Along with and rivaling Japan, China has become a key engine of growth in the world.

Economic stagnation in Japan for over a decade and the 1997–98 Asian financial crisis tarred the miracle economy image, but Asia has since recovered. The pace of growth of many Asian economies has slowed but is still advancing at a respectable rate. China continues to grow rapidly, and Japan appears to be recovering from its long stagnation. The gradual liberalization of the Indian economy beginning in 1991 and sustained high growth rates since 2003–04 adds to the economic weight of Asia. In current prices (using U.S. dollars), East Asian countries and India accounted for about 22 percent of the world's gross domestic product (GDP) in 2005. In purchasing power parity (PPP) terms the share was about 35 percent. Asia accounted for about 50 percent of world growth that year. The Economist Intelligence Unit's "Foresight 2020" estimates that Asia's share of the global economy will increase to 43 percent by 2020. Collectively, Asia accounted for more than 30 percent of total world trade in 2001. It is also an important destination for

private capital flows, including foreign direct investment, a major consumer of energy, and is fast becoming the manufacturing and offshore base for the world. In 2005, East Asian countries and India collectively held over US$1.6 trillion in foreign exchange reserves. Several Asian countries (Japan, China, South Korea, and India) have or are becoming significant economic actors regionally as well as globally, with implications for trade, investment, energy sourcing and consumption, and the environment. The participation of Asian countries in addressing regional and global problems has become crucial, as for example in negotiating world trade arrangements and addressing the problem of global imbalances.

Concurrently, Asian economic interdependence has increased intraregional merchandise trade from 42 percent in 1990 to 50 percent in 2004. Intraregional production networks and investment have contributed to the increase in regional interdependence. And there is a desire in the Asian policy community for greater regional economic interdependence (Petri 2006). Numerous bilateral and multilateral trade agreements focused on the region are being negotiated or planned; new regional dialogues involving ASEAN, China, Japan, South Korea, and other countries are being explored; and there is growing interest in regional financial arrangements, including a common currency after the 1997–98 financial crisis. Asia's economic interaction with the rest of the world, especially the United States and Europe, has deepened. Through investments, energy exploration and pipeline contracts, trade and trade-related loans, aid, and political support for certain regimes, Asian countries (Japan and increasingly China) are also making significant inroads in the Middle East, Russia, Latin America, and Africa. It is possible to argue that growing economic significance in the aggregate does not matter since Asian countries, unlike their European counterparts, do not act collectively. This is partially valid. My point, however, is that Asian countries, individually and collectively, have moved or are moving to the core of the international economic system with power to shape the patterns of trade, investment, production, and the structure and governance of regional and global economies.

Along with economic growth and increasing economic interdependence, the development of indigenous subregional and regional institutions has contributed to the emergence of Asia as a distinct region. Initially limited to Southeast Asia, regional organizations have become more widespread and numerous. Asia is now home to several inclusive subregional organizations including ASEAN (formed in 1967), the South Asian Association for Regional Cooperation (SAARC, 1985), and the Shanghai Cooperation Organization (SCO, 2001), which has its origins in the Shanghai Five that was formed in 1996. Certain countries desire to convert the ongoing Six-Party Talks on North Korea into a security forum for Northeast Asia. Beginning with the formation of the Asia-Pacific Economic Cooperation (APEC) forum in 1989, Asia has also witnessed the development of several regionwide organizations including the ASEAN Regional Forum (ARF, 1994),

the ASEAN Plus Three (APT, 1999), and the East Asia Summit (EAS, 2005). The region is also home to several significant U.S.-led military alliances (U.S.-Japan, U.S.-South Korea, and U.S.-Australia).

Not only is Asia home to several regional organizations, but over the years it has also developed a shared normative framework. The core norms of this framework can be traced to the Five Principles of Peaceful Coexistence articulated by India and China in 1955 and which were incorporated into the final Bandung communiqué of the twenty-nine nation Asia-Africa Conference held that year. The 1976 Treaty of Amity and Cooperation in Southeast Asia, which has since been signed and ratified by all ten Southeast Asian countries, reaffirms those principles. Interaction among signatories, according to the Treaty, is to be guided by the following values: mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations; the right of every nation to lead its national existence free from external interference, subversion, or coercion; noninterference in the internal affairs of one another; settlement of differences or disputes by peaceful means; renunciation of the threat and use of force; and effective cooperation. The principles of the 1976 Treaty have been endorsed by the ARF, and the Treaty has been acceded to by several key non-Southeast Asian states including China, India, Japan, Russia, and Australia. Accession to the Treaty has been made a precondition for membership in the EAS. The principles have also been incorporated into the ASEAN Charter adopted in 2007. Similar principles inform the charters of SAARC and the SCO.

Certain observers, especially from the West, tend to disparage Asian regional organizations as mere talk shops with little substantive content and the normative framework as pro forma echoes of the United Nations (U.N.) Charter with little meaning, as the Asian states have failed to translate these norms into binding rules of behavior and, in fact, have frequently violated them (Jones and Smith 2007). The cynical view of a shared normative framework was indeed justified in the early postindependence period that coincided with the Cold War when Asian countries did frequently violate the norms they publicly articulated. However, in time the norms have become deeply imprinted in the mind-set of the Asian political elite across Asia—contributing to a shared set of norms that increasingly influences the behavior of states. Although Asian regional organizations suffer several shortcomings, especially in comparison with European ones, and their contribution may appear limited on the basis of rationalist and community-building criteria, they perform several invaluable functions. These include creating a sense of regional awareness and a sense of common good; providing a forum for discussion of regional disputes, common concerns, and issues; ameliorating bilateral and regional tensions; constraining the use of force; providing opportunities for cooperation and exercising a collective voice in international forums; and most

significantly in socializing elites and in constructing a regional normative framework (Acharya 2003; Alagappa 2003b).

Asian regional institutions, however, have not played a transforming role except perhaps in Southeast Asia. And even in this subregion the much-touted transforming role of ASEAN is questionable. As Jones and Smith (2007) argue, ASEAN and related organizations have been long on community-building visions but very short in realizing them. A long-range vision of an East Asian community has been under discussion for some time now but there is little agreement on substantive content, footprint, membership, and the suitable institutional vehicle for pursuing such an objective. Competing national interests appear likely to hamper such efforts. Nevertheless, Asian regional institutions have become a visible sign of internal and international recognition of Asia as a distinct region. External actors like the United States and Europe now engage in regular dialogue with Asian regional institutions.

Post-Cold War Asia: A Distinct Regional Security System

Concurrent with the emergence of Asia as a core economic region and the development of regional norms and organizations, the security system in Asia has become more distinct and autonomous. Some see regional distinctiveness in the structure of the Asian system and its organizing principle. David Kang (2003), for example, posits that Asia is becoming China-centric and that hierarchy rather than anarchy is the organizing principle of the China-centered Asian system. Robert Ross (1999, 2003) posits that East Asia is already a bipolar system, with China dominant in the East Asian land mass and the United States dominant in maritime East Asia or the rimland. I disagree with these positions. The system in Asia is not Sino-centric, and sovereignty-conscious East and Southeast Asian states do not accept hierarchy or Chinese dominance. They seek good relations with China but several also seek to hedge, balance, and constrain China. There is no return to history. The view that a hierarchic Sino-centric order existed in historical times or that it was always hierarchic is also contested (Ledyard 1983; Rossabi 1983; Yang 1968). The present system in Asia is also not bipolar. China has become an economic powerhouse, and its diplomatic influence is increasing, but it is not a comprehensive power. It is still far behind the United States, especially in military power but also in several other dimensions of power. Though enjoying economic and diplomatic success, Beijing has limited positive ideational capital for regional political leadership. With erosion in the ideological underpinning of its Marxist-Leninist political system, Beijing itself is in search of a viable political model. Those who see East Asia as Sino-centric or bipolar often ignore Japan, which still has the second largest economy in the world, a strong conventional military capability, and is closely allied with the United States. My view is that

global unipolarity also pervades Asia. Although Asia is home to several large powers, some of which may in due course substantially dilute the power and influence of the United States and challenge its primacy, for now none is able to compete with the United States.

The Asian regional system is distinctive not because of its structure or organizing principle but because of the centrality of regional and local dynamics in conflict formation, management, and resolution. Unlike during the Cold War, when internal and international conflicts in the region were overlaid by the Soviet-American ideological and strategic confrontation, regional actors and their interests now drive conflict formation and resolution in Asia. Extraregional actors are involved in certain conflicts, but their salience derives from their interaction with Asian state and nonstate actors on issues of mutual concern. They do not override indigenous actors and dynamics. Settlement or resolution of security problems in Asia now hinges on addressing indigenous roots rather than merely external ones. At the same time, there is no overarching regional security dynamic that permeates all or even most security challenges in Asia. Even when Asian states confront common security challenges, each internal and international conflict has its own dynamics that are only marginally linked to others. The ensuing discussion of the contemporary security challenges in Asia demonstrates the regional and local basis of conflict formation and resolution.

Internal Security Challenges. Internal conflicts over political identity and legitimacy have been a prominent feature of the Asian political-security landscape since 1945. Asia has witnessed numerous civil wars, armed insurgencies, coups d'etat, revolutions, and regional rebellions. Many have been protracted; several have had far-reaching implications. The civil war in Pakistan, for example, led to the breakup of the country in 1971. During the Cold War, many internal conflicts were penetrated and in some cases transformed by the overarching global security dynamic, with the two superpowers supporting rival groups and at times engaging directly in war as for example in Vietnam and over Cambodia. With the termination of the Cold War, the global strategic overlay has disappeared. There is no new global or regional equivalent.

Asian countries continue to witness numerous internal conflicts over political identity and legitimacy, many of which are rooted in contestations over center-elite-led nation- and state-building projects. Although there are common features across countries, each internal conflict has its own dynamic that has to be addressed on its own merit. For example, there are interconnections among the conflicts in Nepal, Northeast India, Bangladesh, and Burma, or in the Pakistan-Afghanistan border area. These interconnections are rooted in ethnic and religious ties, common ideology, or simply in pragmatism, and facilitated by porous borders and weak states. Islamic international terrorism appears to be a connecting thread for

internal conflicts in Afghanistan, Pakistan, India (Kashmir), and Bangladesh in South Asia, and to a lesser degree in Indonesia and the Philippines in Southeast Asia. Although international connections are important and must be addressed, these conflicts are essentially grounded in local political and socioeconomic grievances: Without them the international dimension would be irrelevant. This is not intended to downplay the significance of international connections but to place them in proper perspective to highlight the salience of local and subregional dynamics that must be addressed in conflict management and resolution.

International Terrorism. Likewise terrorism, which has long been a concern for several Asian states, is rooted in local conditions. Terrorist methods have been employed by subnational groups in their struggle to gain autonomy or independence from the states in which they were located. In some cases these groups had the support of similar groups in neighboring countries and at times were supported and used by certain neighboring states. The international connections of these groups, especially to the Middle East and Pakistan, were highlighted and became more evident after 9/11. International nonstate actors and their causes are important in establishing regional and global networks, but to be successful they must connect with local groups, their causes, and objectives.

Since South Asia adjoins Southwest Asia and is close to the Middle East, terrorism is a major concern in this subregion, with the nexus of the Taliban, Al-Qaeda, and Pakistan as the central focus. When it was in power in Afghanistan, the Taliban provided a safe haven for Al-Qaeda, which is believed to be seeking weapons of mass destruction. Pakistan had supported the Taliban regime as a way of influencing developments in neighboring Afghanistan and to secure strategic depth in the event of a war with India. Although dislodged and disrupted, the Taliban and Al-Qaeda appear to be regrouping in Afghanistan and along the ungoverned Afghanistan-Pakistan border. Islamabad has since joined the war on terrorism, but it also sees militancy and terror as a useful instrument of policy in its conflict with New Delhi. India has borne the brunt of militant insurgent movements and terrorism in South Asia. Cross-border terrorist activities have reached deep into India, raising the potential for major armed hostilities between India and Pakistan. Confronted with terrorist attacks in its heartland and in the areas bordering Afghanistan, Islamabad now appears to be reconsidering its approach to militant and terrorist movements with sanctuary in its territory.

In Southeast Asia there is an international dimension to terrorism, but the terrorist threats in the Philippines and Thailand are linked to separatist struggles waged by minority communities. In Indonesia, Singapore, and Malaysia, the concern is with the regional Jemaah Islamiya (JI), which, according to terrorism experts, seeks to establish Islamic states and an Islamic caliphate in maritime Southeast Asia (Abuza 2003; Vaughn et al. 2005). At present, however, JI appears to

be in disarray. Although the nature, intensity, and purposes of the terrorist threat may vary, it is perceived as a significant threat by several Asian governments. Some states have jumped on the bandwagon to serve their parochial political interests. Sri Lanka, for example, seeks to deal with the ethnic minority problem under the label of terrorism. China brands Uyghur resistance movements as terrorists, while the Philippines seeks to label the Moro Islamic Liberation Front that is seeking autonomy for the Muslims as a terrorist group.

Although nonstate transnational actors have always existed, certain contemporary actors (such as Al-Qaeda and JI) and the challenge they pose for national and international security is specific to the contemporary era. These actors not only challenge the very foundation of a system based on sovereign states but, in addition, their nonterritorial organization and activities, their attempt to acquire sophisticated and highly destructive weapons, and their use of high-technology communications and information methods make it exceedingly difficult for states to detect, deter, and defeat them.[2] The threats posed by such organizations are likely to continue for some time, but on their own they are unlikely to have systemic implications. The greater danger lies in the possibility that radical Islamic groups may acquire or seize state power in majority Muslim countries like Pakistan, Bangladesh, or Indonesia. Such developments would have subregional implications in South and Southeast Asia and connect these subregions more closely to the Middle East.

A related concern is the threat of nuclear terrorism. In Asia, the concerns center largely on Pakistan and North Korea and to a much smaller degree on India. In the case of Pakistan, the international concern centers on the unstable nature of the Musharraf regime and the fear that in the event of political instability its nuclear weapons and facilities may come under the control of Islamic extremist political parties or military elements sympathetic to the anti-West, anti-India, anti-Israel causes of radical Islamic groups; or that radical Islamic groups on their own or in collusion with military elements could take control of certain nuclear facilities (Basrur and Rizvi 2003). In India the concern is with possible terrorist attacks on nuclear facilities or that terrorists may target nuclear weapons in storage or in transit. India and Pakistan (the latter with U.S. assistance) appear to have taken a series of measures to reduce their exposure by safeguarding nuclear facilities and securing command and control arrangements. In the case of North Korea, as discussed earlier, the concern is that Pyongyang may aid or sell nuclear technology to terrorist groups.

Concern about illicit trafficking of nuclear and other radioactive material, though traditionally directed at the former Soviet states, has become an important issue in Asia, especially in relation to South and Southeast Asia (Prosser 2004). Of particular concern is the proliferation network of A. Q. Khan, which is believed to have done enormous damage to international peace and stability and to the non-

proliferation regime (Albright and Henderson 2005). It is believed that without assistance from this network Iran would not have been able to develop a uranium enrichment capability. There is also suspicion that the network may have helped Al-Qaeda obtain nuclear secrets before the fall of the Taliban regime.[3] Revelations of the A. Q. Khan proliferation network and of trade in nuclear weapon-related dual-use technologies have highlighted issues relating to nuclear safety and security. Clearly there are regional and global dimensions that must be addressed. At the same time, conflict management, including settlement, hinges on addressing the core local and subregional issues. This is evident, for example, in the effort to deal with the North Korean problem through the Six-Party Talks,

Territorial Disputes. Asia is witness to numerous territorial disputes on land and at sea (Blanchard 2003; Fravel 2005; Wang 2003). Nearly every country has had a border dispute with its neighbor(s), and several still continue to do so. China, India, Russia, and Japan have long-standing territorial disputes with each other. The disputes between China and India and between China and Vietnam led to major wars. The territorial dispute between China and the Soviet Union resulted in a military clash in 1968. Most territorial disputes have their origins in ill-defined boundaries by colonial powers or in the contestation of colonial demarcations. Maritime territorial disputes are relatively recent, with their origins in the interpretation and implementation of the Law of the Sea Treaty regime and in competing historical claims. Some of these disputes in the East and South China Seas have resulted in occasional military clashes. The territorial conflicts on land and at sea were not deeply enmeshed in the Cold War strategic dynamic. Settlement in some cases and continuation of others demonstrate the importance of domestic and bilateral dynamics.[4] In the present context, territorial disputes other than those considered crucial for state identity and sovereignty appear unlikely to result in major wars. In certain cases, as for example between China and India, conflicting parties have entered into bilateral negotiations to manage and possibly resolve their dispute; in some other cases (between Malaysia and Indonesia, and between Malaysia and Singapore) certain territorial disputes have been submitted for international adjudication.

Identity and Sovereignty Conflicts. Of the continuing security challenges in Asia, the long-standing identity and sovereignty conflicts involving Taiwan, Korea, and Kashmir are the most significant from a regional perspective. During the Cold War these conflicts, especially those across the Taiwan Strait and on the Korean peninsula, were deeply enmeshed in the Soviet-American confrontation. Over time the nature of these conflicts has been transformed and their dynamics have become largely regional and local.

Regionalization and Localization. Beginning in the late 1980s the conflict between the KMT and the CCP over the right to rule China was transformed into a

conflict between China and Taiwan over the identity and sovereignty of Taiwan. Asserting that Taiwan is a part of China, Beijing claims sovereignty over that island state. Its goal is to unify Taiwan with China if necessary through the use of force. With the transfer of KMT leadership to native Taiwanese leaders and democratization, both major Taiwan political parties (the Democratic Progressive Party [DPP] and the KMT) have rejected unification but are split on the issue of independence. The survival of Taiwan as a de facto sovereign state rests on the security guarantee of the United States that was initially given in the context of the Cold War. After the normalization of U.S. relations with China in 1979, that security guarantee became implicit but was demonstrated when the need arose. Washington adheres to a one-China policy; it is firmly opposed to unilateral change in Taiwan's status or status change through the use of force.

The Korean conflict was produced and deeply embedded in the structure of the Cold War. Since then it has undergone two transformations. The termination of the Cold War completed the localization of the conflict, making the North-South dimension more pronounced. Chinese and Russian support for North Korea, especially the likelihood of their military intervention in support of Pyongyang, declined dramatically. Washington continues to be committed to the security of South Korea, but its commitment is not linked to larger strategic concerns. A further transformation of the conflict resulted from the isolation of North Korea, its weaknesses as a state, its collapsing economy, and Washington's characterization of North Korea as a "rogue state." The focus of the conflict shifted to the survival of the North Korean regime and its nuclear weapon program. Although the nuclear problem has commanded much attention in recent times, settlement of the Korean conflict will have to address the North-South and the DPRK-U.S. dimensions of the conflict, as well as the survival of the Kim Jong Il regime and prevention of economic collapse in North Korea.

The dynamics of the Kashmir conflict have always been local. The Cold War did not transform the conflict as it did the Taiwan Strait and Korean conflicts. The Cold War did, however, enable Pakistan to mobilize massive military aid and diplomatic support from the United States and China. Likewise, the termination of the Cold War did not have a significant impact on the nature of the conflict, but it did affect external support for Pakistan, especially from the United States. While the conflict itself has altered little, there have been important changes in actors, mode of pursuing the struggle, and in the armaments of the conflicting parties. The emergence of militant movements against India with sanctuaries in Pakistan, especially those that seek independence from both India and Pakistan, complicates bilateral relations and a future settlement. These militant movements could be spoilers in the ongoing peace dialogue. Guerrilla war and terrorism, with the support of Pakistan, have become the primary means of waging the struggle over

Kashmir and the broader struggle against India. Over the years, India and Pakistan have become nuclear powers, with Pakistan threatening to use nuclear weapons should India undertake conventional military operations against Pakistan.

Conflict Escalation and Peaceful Settlement. Notwithstanding the transformation in dynamics, all three conflicts continue to manifest themselves in large-scale confrontational military deployment. Despite periodic dialogues among conflicting parties, they have defied settlement. Although they appear stable and under control, these conflicts are crisis prone; overt hostility cannot be ruled out. Should such a crisis escalate and develop into a full-scale war, it would affect regional security and stability. Peaceful settlement would also have regional security implications. This is especially the case with the conflict across the Taiwan Strait.

Should China initiate hostilities without provocation, the United States and possibly Japan would almost certainly become involved.[5] The threat and use of nuclear weapons may feature in the escalation of hostilities. A war would also create a firm line of enmity, with implications for the entire region. Sino-American and Sino-Japanese relations would spiral downward, making the United States-Japan security treaty an instrument to contain China, whose international image would be tarnished. There would be serious domestic political repercussions in China, especially if it initiated hostilities and suffered a reversal. Involvement in overt hostilities would have a dramatic impact on Japanese domestic politics as well. The U.S. reputation as a reliable security partner and its security engagement in Asia would be tested. In the lead-up to overt hostilities, should it perceive erosion in the commitment of Washington to its survival, the Taiwanese government could attempt a nuclear option as it did earlier. Though Beijing would almost certainly respond to Taiwan's bid for a nuclear option, the nature of that response and the U.S. reaction to Taiwan's quest for nuclear weapons and to Beijing's response are all in the realm of conjecture. In the event of hostilities, other regional states would be forced to take sides, and the region could become polarized.

A peaceful settlement would also have far-reaching consequences, although the implications would hinge on the type of settlement reached: unification with China, a confederal arrangement, or an independent Taiwan. An amicable settlement would remove a contentious issue in U.S.-China relations, making for greater cooperation and stability between the two countries and in East Asia. However, it is unlikely to eliminate U.S. anxieties about a rising China and vice versa. With the Taiwan issue settled, China's military development would require a new rationale, raising questions about the new focus of Chinese military development and its use of military power. The purpose and nature of the U.S. security commitment and military presence in Asia might also be up for debate in U.S. domestic politics and in the region, with the distinct possibility that it could undergo retrenchment.

Likewise, escalation and resolution of the conflicts on the Korean peninsula and over Kashmir would have wider implications but more limited than the Taiwan conflict. Should North Korea start a war, the United States and possibly Japan would come to the aid of South Korea. China, Russia, and other regional states are unlikely to become involved militarily. Although such a war may be limited, it would be devastating for the two Koreas and strain if not antagonize Sino-American and Sino-Japanese relations. Peaceful conflict resolution would also set in train developments that could have strategic consequences in Northeast Asia, for the U.S.-South Korea alliance, and the U.S. security role in that subregion. Even if the alliance continues, U.S. military presence and commitment would likely be scaled back substantially. There is also the possibility of strategic realignment of South Korea with China (Chung 2005). The future of North Korea's nuclear weapon program and Pyongyang's relations with China and South Korea in the event of a settlement are difficult to predict. Retrenchment of the U.S. security commitment and its military presence in South Korea, and closer relations between South Korea and China, might cause anxiety in Japan, but the implications drawn by Tokyo are likely contingent on the state of Sino-Japanese and Sino-American relations.

On the India-Pakistan conflict over Kashmir, it is unlikely that any outside power or regional state would intervene militarily, especially as both protagonists are now nuclear weapon states. Escalation, if it occurs, would be vertical to the nuclear level. International concern would focus on preventing such escalation. Although rather unlikely, a Kashmir settlement would remove a contentious issue in India-Pakistan relations, but it would not end Islamabad's aspiration to be an equal of India. Internal and external balancing (including in the nuclear arena) with external assistance from China and the Islamic world would continue to be a feature of Pakistan's policy. However, this would not preclude cooperation with India. A settlement in Kashmir would transform the bilateral relationship from one of pure enmity to one with mixed motives and payoffs; the combination of amity and enmity would make possible both cooperation and competition. This could augur well for cooperation in South Asia.

A Complex and Changing Strategic Landscape

The preceding discussion highlighted the contemporary security concerns—a mixture of traditional and nontraditional challenges. The Asian security landscape is likely to further alter. As indicated in earlier discussion, regional security dynamics could be affected by regime change in key countries such as China, Indonesia, and Pakistan. Significant change would also flow from escalation or resolution of the three key regional conflicts (Taiwan, Korea, and Kashmir). Significant regional level systemic changes are likely to flow from the rise of Asian powers and from the economic dynamism and growing economic interdependence among them. The rise of Asian powers is likely to affect system structure and increase the salience of strategic competition, while growing economic interdependence is likely to make for a more complex strategic environment in which lines of amity and enmity are less clear-cut.

Rise of Asian Powers

Over the next two decades, the continued rise of Asian powers is likely to gradually alter system structure away from unipolarity toward bipolarity or multipolarity, or some combination of them. A new unipolar system with China at the center is unlikely in that time frame. As the rise of China would pose a significant challenge to the U.S.-dominated security order in Asia, Sino-American relations would become the primary security dynamic with regionwide implications. Sino-Japanese and Sino-Indian relations could also become more consequential. A net effect would be greater strategic competition and new alignments among major powers or extensions of existing ones. Both developments would broaden the boundaries of the Asian security region. This outlook is premised on two conditions. One is that the economic growth of Asian powers will continue. The second condition is that the United States will continue to be engaged in Asia. It is possible to envisage scenarios (internal socio-political upheavals, severe economic setbacks, and involvement in war) that could curtail or derail Asian economic growth. The prediction in the 1980s that Japan would become number one failed to materialize.[6] The present assessment appears to be that Asian economies, including China, may suffer reversals (like the 1997–98 Asian financial crisis or the decade-long stagnation in Japan) but their fundamentals support continued economic growth (Asian Development Bank 2007; World Bank 2007). The pace, however, may slow as their economic base becomes bigger. Similarly the U.S. military presence and security role may alter but the United States is unlikely to disengage from Asia, which will remain important to its security and prosperity.

Gradual Transition from Unipolarity

In earlier discussion, I posited that global unipolarity also pervades Asia and that none of the Asian powers are presently in a position to compete with the United States. The strong alliance relationship between the United States and Japan, which still has the world's second largest economy, makes it even more difficult for China to compete with the dominant position of the United States in Asia. At the same time, the economic and diplomatic power of China has increased. Together with Russia, at times with the support of certain European powers, and through its position and influence in global and regional organizations, China has attempted to constrain the effects of American dominance. This has been referred to as "soft balancing."[7] However, China and other countries

TABLE 1-1

Projected GDPs, Per Capita Income, and Growth Rates

	2005	2015	2025	2040
	PROJECTED GDP (US$ BN)			
United States	12,416	14,786	18,340	27,229
China	2,243	4,754	10,213	26,439
Japan	4,533	4,858	5,567	6,039
India	805	1,411	3,174	12,367
Russia	764	1,232	2,264	4,467
	PROJECTED PER CAPITA (US$)[a]			
United States	43,560	45,835	52,450	69,431
China	1,740	3,428	7,051	18,209
Japan	38,950	38.626	46,391	55,721
India	730	1,149	2,331	8,124
Russia	4,470	8,736	16,652	35,314
	PROJECTED GROWTH RATE[b]			
United States	3	2.1	2.4	2.6
China	10	5.2	4.2	3.7
Japan	3	1.3	1.0	0.7
India	9	5.8	5.8	5.8
Russia	6	3.5	3.6	2.4

SOURCES: Data (except 2005) is drawn from Dominic Wilson and Roopa Purushothoman, *Dreaming with BRICs: The Path to 2050*, Goldman Sachs Global Economics Paper No: 99. Data is based on 2003 US dollars. 2005 data is drawn from World Bank World Development Indicators available at: www.worldbank.org

[a] 2005 World Bank data on GNI per capita

[b] as a percentage of year on year

have not attempted a counter-balancing coalition; even if it tries, China will not succeed in constructing an Asian coalition against the United States.

Over time, China's own power is likely to increase substantially with consequences for the regional structure. China is expected to become the world's second largest economy by about 2015 and challenge the United States for the lead by about 2040 (Wilson and Purushothaman 2003; also see Table 1-1). China's growing importance in the global and regional economies would enable it to structure them in ways that increase its influence. Beijing would be able to devote even more resources to research and development and to military modernization. It is not unreasonable to expect China's growing economic power to translate into hard and soft power as well as structural power. In about two decades, China's comprehensive power would become structurally significant, diluting American dominance and influence in Asia. Chinese power would be even more consequential if the U.S.-Japan alliance were to loosen or end. With erosion or termination of that alliance, it would be difficult for the United States to maintain military dominance in Asia. However, a normal and autonomous Japan and a growing India would also constrain China, preventing the domination of Asia by a single power and trend the region in the direction of a multipolar system. It is highly

likely that the distribution of power in Asia will alter, but it would be in a gradual fashion and defy neat classification. In about two decades from now, the unipolar features of the Asian security system would significantly diminish; features of bipolarity and multipolarity would become more prominent. Competing quests for wealth, power, status, and influence between rising Asian powers and the predominant United States and among the Asian powers themselves would make strategic competition a more significant feature of the Asian security landscape.

Sino-American Relations: Central Regional Security Dynamic

America's preponderant power and the public goods it provides are widely acknowledged in Asia. Its security roles include creating a stable balance of power through its interaction with the major Asian powers (anchoring Japan and encouraging it to become a full security partner, engaging and balancing China to make it a responsible stakeholder, and promoting and integrating India as an important power); reassuring and controlling allies (Japan, South Korea, and Taiwan); deterring aggression and defusing conflicts across the Taiwan Strait and on the Korean peninsula; defusing and preventing escalation of the India-Pakistan conflict; securing sea lines of communication; countering proliferation of WMD; and combating terrorism. Japan, Australia, Taiwan, and many ASEAN countries have actively sought and support U.S. security commitments in Asia. At the same time, America's unparalleled military power—so visibly demonstrated in the first Iraq war, Kosovo, Afghanistan, and the invasion phase of the second Iraq war—has touched raw nerves, creating apprehensions even in China and Russia. Generally, U.S. predominance and its deep involvement in Asia, which now extend to South, Southwest, and Central Asia, have both positive and negative security implications for a wide range of countries. All major Asian powers seek cordial relations with the United States, although mistrust, apprehension, and dissatisfaction also characterize specific bilateral relations.

Dissatisfaction with American dominance is perhaps most evident in China. Beijing's concern with such dominance is twofold. One, it perceives American hegemony and its vastly superior military power as having negative consequences for China's security—on internal stability, its goal of unifying Taiwan with the PRC, and the effectiveness of its strategic deterrent. Two, it perceives the American system of alliances, especially the strengthening of the U.S.-Japan security treaty and the idea of a democratic coalition among the United States, Japan, India, and Australia as working against its own interest, further widening the gap between the United States and China and enhancing the position of its Asian neighbors (Japan and India). Washington's de facto policy of multiple centers of power in Asia works against the opportunity for Beijing to become the primary Asian pole.

There are competing views on the implications of a rising China for the United States.[8] Some argue that gains for China in Asia have not necessarily been at the expense of the United States (Sutter 2005, 2006). Others posit that China is a revisionist state that cannot be socialized. It is already a threat or will become one soon (Elwell, Labonte, and Morrison 2006; Mearsheimer 2001; Menges 2005).[9] Concerned about the uncertainty that surrounds the future behavior of China and concerned about preserving its primacy, Washington has responded to the rise of China with a mix of policies encapsulated in terms like "responsible stakeholder" (Zoellick 2005) and "favorable balance of power" (National Security Strategy 2002, 2006).[10] These policies seek to engage, socialize, restrain, hedge, and balance China with the goal of making it an economic partner in an international system underpinned by the values advanced by Washington. Presently there is no clear trend in U.S.-China relations. Neither partnership nor conflict is inevitable (Friedberg 2005). The relationship may well continue to exhibit mixed features for a considerable time until China becomes a truly comprehensive power and strong enough to pose a major systemic challenge to the United States.

Although China may not rival the United States for some time to come, Sino-American relations are already an important driver of security in Asia. The conflicting Taiwan policies of the two countries underlie the most serious security issue in Asia. The growing power and influence of China and the U.S. response to these developments have contributed among others to a stronger U.S.-Japan security alliance, closer U.S.-India relations, strategic partnership between China and Russia, and China's policy to diversify and improve relations with major powers. Beijing has sought to strengthen its position and influence in Asia through a series of measures including active diplomacy (so-called charm offensive), providing support for countries like North Korea and Burma that have been castigated by the United States, a higher profile in regional multilateral arrangements, advocacy of Asia-only regional organizations that would effectively exclude the United States, condemnation of U.S.-led alliances as remnants of the Cold War, Japanese participation in them as inimical to Asian regionalism, and active pursuit of China-centered economic arrangements.[11] China is also upgrading its military capability, including modernizing its nuclear arsenal to ensure a robust deterrent force against the United States.

The importance of Sino-American relations for regional security is almost certain to grow. Should the United States forge a strategic condominium with China, Beijing would become regionally more influential. Its need to forge strategic partnerships with Russia and Europe, and accommodate other Asian powers, would be a lesser priority. Japan and India would have less flexibility and may have to come to terms with China on its terms. Though not impossible, the circumstances that would impel a strategic condominium (as opposed to ad hoc or issue-specific cooperation) between the predominant power and a fast-rising power are difficult to imagine.

A confrontational situation is less difficult to envisage. China sees the United States as its principal security concern and has instituted measures to reduce and counter that concern.[12] Certain quarters in Washington already perceive a rising China as an economic challenge and possibly a military threat. The 2006 Quadrennial Defense Review, for example, states: "Of the major and emerging powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counter strategies" (Office of the Secretary of Defense 2006b: 29). An open Sino-American confrontation would create a clear line of enmity that would certainly bring the present quiet strategic competition to the fore. In that situation, Japan may seek to ally even more closely with the United States and be inclined to engage more in balancing behavior than in reaching accommodation with China. The positions of India and Russia in the eventuality of a Sino-American confrontation are more difficult to predict. It is possible India may lean toward the United States, and Russia may move closer to China. Much will hinge on their state of relations with the United States and China and their interests at stake.

At the same time, it is important to recognize that there are very few situations that could lead to a strategic confrontation between the United States and China. Conflict over Taiwan is an obvious situation; severe economic recession and simultaneous disputes on several fronts may be another. Even in these cases there are checks, balances, and cushions to resolve or manage disputes and prevent an inexorable slide toward confrontation. Strategic condominium and confrontation are extreme and unlikely scenarios. More likely is a relationship characterized by cooperation and competition but with competition for relative power and influence becoming more pronounced. That competition can significantly affect the pattern of relations among Asian powers.

Sino-Japanese Relations: Competing Aspirations

For the first time in history, Northeast Asia is home to two major powers—China and Japan—that are distrustful of each other and have competing international aspirations and visions of regional order. Despite strong economic relations, political and security relations between the two countries have soured since the late 1990s (Ming Wan 2006). China is unwilling to accept Japan as an equal. Beijing uses its power and influence to compete with and marginalize Tokyo's regional initiatives, deploys the history card to cast Japan in an unfavorable light, and depicts Japan's close relations with the United States as inimical to Asian regionalism. Yet Beijing recognizes that denying Tokyo its "proper" place and

role risks adversarial relations with that country, which would push Japan further into the embrace of the United States, widen the power gap between the United States and itself, and entrench the United States in Asia. Isolation and estrangement could also impel Tokyo to seek security partnerships with other countries such as India and Australia and seriously explore the nuclear option. Although Japan is still unlikely to acquire nuclear weapons in the foreseeable future, it is no longer taboo to speak about amending the constitution or to discuss nuclear issues (Hughes 2007).

Apprehensive of the rapid growth in Chinese power and influence, Tokyo does not want to be dominated by Beijing. It aspires to a status and role befitting its economic and technological power. In East Asia, Japan seeks to order the region on the basis of certain values that include democracy, human rights, and market economic principles, and to broaden the membership of Asian regional organizations to include India, Australia, and the United States. The implicit intention is to dilute the power and influence of China. The growing perception of threat from a China that is deemed to be seeking hegemony in Asia and the North Korean missile and nuclear tests have helped strengthen the Japanese conservative elite, which is spearheading the quest for a larger international political and security role.

The United States, especially the administration of George W. Bush, has supported Japan's quest for a larger international role to create a favorable balance of power in Asia (Armitage and Nye 2000, 2007; National Security Strategy 2002, 2006). Except for a brief period in the early 1990s, Tokyo has all along viewed the security treaty with the United States as the cornerstone of its security policy. Growing concern about a rising and nationalist China, as well as North Korea, has renewed emphasis on the U.S.-Japan security treaty. Despite Japanese concerns of entrapment and a desire for greater autonomy, the U.S.-Japan security treaty is likely to endure and become more equal. Tokyo is also likely to deepen security relations with Australia, forge strategic relations with India, and reach out to countries in Southeast Asia.

Although there are fundamental differences, it is not certain that Sino-Japanese animosity will result in rivalry and confrontation. Some have argued that Sino-Japanese relations are heading toward "a period of dangerous rivalry," but others posit the "emergence of a new equilibrium . . . based on common interests, on frankness, and mutual respect and understanding" as more likely (Mochizuki 2005). Still others posit that Japan may engage in closer collaboration with China as both share common interests (Pyle 2007: 337–38). Richard Samuels (2007) posits that Japan would opt for a strategy that is "not too dependent on the United States or too vulnerable to China." A likely scenario is that Japan's relations with China would be characterized by cooperation and competition, and through incremental steps Japan would emerge as a comprehensive power with consequence for the balance of power in Asia.[13] The competitive dimension of Sino-Japanese

relations for status and leadership in East Asia and the world, rising nationalism in both countries, and their lingering suspicions of each other grounded in contradictory readings of history give rise to a security dynamic that is consequential not only for East Asia but for the broader region.

Sino-Indian Relations: Quiet Competition, Growing Relevance

As two large countries sharing a common but disputed border over which they went to war in 1962, China and India could be viewed as rivals in a struggle for security, wealth, and status (Tellis 2004).[14] China has a border dispute with India, has been concerned about possible Indian support for Tibetan resistance, and views India as a potential rival for power and influence in Asia. Though not explicitly stated, Beijing's India strategy appears designed to bolster Pakistan, with the purpose of containing India, and taking advantage of India's troubled relations with its neighbors to limit New Delhi's regional influence. For New Delhi, China has been a direct security concern since the eruption of the border dispute in the late 1950s and especially after the 1962 war. Equally worrisome has been the de facto China-Pakistan alliance that enables Pakistan to engage in open confrontation with India. Indian perception of China as a security threat has waxed and waned, but a consensus "moderate-realist" view appears to have emerged. That view seeks to resolve differences and invigorate economic relations with China but at the same time be vigilant and develop China-related military capabilities (Hoffmann 2004).

The underlying mistrust between the two countries has contributed to what has been termed "quiet competition" (Frazier 2004). The dramatic increase in China's power and influence in the region has caused envy and apprehension but has also been a stimulant and model for India. India's sustained economic growth at higher rates since 1991, its move to overt nuclear weapon state status after 1998, and the burgeoning U.S.-India relationship, along with international recognition of India as a major power, are beginning to alter the image of India in China. In recent years, the two countries have engaged in high-level exchanges and political dialogue to resolve the border dispute, promote bilateral trade and investment, and downplay differences.

Direct consequences of the earlier enmity between the two countries are the Sino-Pakistani strategic alignment and the actual or perceived Chinese intrusion into the Indian sphere of influence. During the Cold War, the implications of this dynamic were largely confined to South Asia, although it did play into the Sino-Soviet conflict and Soviet-American confrontation. The growing economic and military reach of India into Southwest and Southeast Asia, China's growing reach into nearly all of Asia, and American and Japanese concerns with China are broadening the relevance of India and the state of the Sino-Indian relationship. Washington seeks to help India become a great power. India, too, sees benefit in

building better relations with the United States. Beginning in the second term of the Clinton administration, U.S.-India relations have steadily improved, with the Bush administration broadening cooperation to include the strategic arena. The burgeoning U.S.-India relations coupled with India's growing power and a foreign policy that emphasizes improved relations with all major powers have increased the profile of India in the region. Observing the improvement in U.S.-India relations, and in pursuit of its own foreign policy and security objectives, Japan has begun to build strategic understanding and relations with India. Southeast Asian countries, for their part, increasingly view India as one moderating factor in managing the growing power and influence of China.

India does not perceive itself as part of an effort to contain China, and it is unlikely that the two countries will engage in overt hostilities over their border dispute. However, as in Sino-Japanese relations, suspicions and fundamental differences remain. These will sustain the "quiet competition." It is unclear as to what developments or circumstances would lead to open rivalry and confrontation. As with the Sino-Japanese relationship, the future state of Sino-Indian relations will hinge on domestic developments in both countries, how they work out their border dispute and other differences, how they adjust to each other's quest for greater international status and role in the region and the world, and their relationship with other major powers, especially the United States.

Quiet Competition, Strategic Flux, and Uncertainty

From the preceding discussion it is evident that the sustained rise of Asian powers would have implications for system structure and security dynamics in Asia. Competing interests deriving from positional considerations and competing visions for organizing the region, as well as historically grounded suspicion make for apprehension and mistrust in almost all significant bilateral relationships. At the same time despite perceptions of long-range threats and rivalries, there is as yet no firm basis for the development of strategic fault lines comparable to the Soviet-American confrontation or the Sino-Soviet conflict during the Cold War. Except for the U.S.-Japan security alliance, there is no other firm line of amity. All other major power bilateral relationships have elements of cooperation, competition, and conflict.

Quiet strategic competition is already visible in Sino-American, Sino-Indian, and Sino-Japanese relations. As China continues growing its power and influence, Sino-American relations are likely to become more competitive. At the same time there are few scenarios that could lead to open strategic confrontation between the two countries. Both countries, however, will seek to quietly restructure regional relationships and institutions (realist, liberal, and sociological) to enhance their own power and influence and constrain that of the other. This is also likely to be the case in Sino-Indian relations and in Sino-Japanese relations.

It is difficult to define the "eventual" configuration of major power relations with certainty. Many outcomes are possible. One is Sino-American ideological and military confrontation that leads to an alliance of democracies (United States, Japan, Australia, and India), with China and Russia drawing closer. This will be an extension of the present quiet competition scenario. For such a pattern of relations to materialize, all three bilateral relationships discussed in this section would have to be in a downward spiral with India willing to join (de facto or de jure) the U.S.-led alliance system. Despite the rhetoric of the Bush administration, ideology is not the driving force in U.S. policy toward Asia. For its part, China is not committed to an ideology or vision that that would mobilize broad support in Asia in a confrontation with the United States. Further, except perhaps the conflict across the Taiwan Strait, there is little possibility of direct military confrontation between them. Other plausible outcomes include an alignment of China, Russia, and India against the United States and Japan or a balance-of-power system directed at China or the United States. The developments that would trigger the formation of such systems remain distant and unclear. It is possible to conjure up further outcomes, including a concert of major powers, a United States-Japan-China triangle, a United States-China-India triangle, and so forth, but none of these would have a self-sustaining dynamic that could form the basis for durable regional strategic formation.

An informal, loose balance-of-power system in which strategic competition becomes more prominent, but still below the surface and not specifically directed at any particular state, and with the implicit purpose of preventing domination of Asia by any one power appears a more likely outcome. The United States will remain a central player in that system, but American dominance will be reduced. China's power and influence will increase significantly, and the power and influence of Japan, India, and Russia would also increase. Such a system will prevent American and Chinese hegemony and enhance the flexibility and leverage of Japan and India. Whatever the outcome, it appears likely that strategic competition would become a more significant feature, and Sino-American interaction will be the primary security dynamic in Asia that interconnects other major powers.

A main conclusion to draw is that strategic relations among the major powers in the Asian security region are in a state of flux and likely to be so for a considerable time. Making for strategic uncertainty, such a situation encourages a tendency to seek security through multiple strategies that emphasize engagement, cooperation, and competition (internal and external balancing including hedging) to guard against unanticipated developments. In this context, major powers are likely to develop military capabilities, including nuclear arsenals with multiple purposes to avoid undesirable outcomes and protect their long-range strategic autonomy as well as to deal with specific immediate threats, contingencies, and policy priorities. Military capabilities and strategies will have to deal with an array of long- and short-range security concerns.

Economic Overlay and Complex Interdependence

Strategic interaction among major powers will also be influenced by the high priority accorded to economic growth and development in Asian countries, their economic dynamism, and growing economic interdependence among them and with the rest of the world. Although the implications of economic dynamism and interdependence are not straightforward, the net effect would be to produce a more complicated strategic picture in which traditional security interests are tempered by the priority accorded to economic growth. The intersection of economic and traditional security interests would make for less clear and crosscutting lines of amity and enmity. The deep interest in a stable environment increases the incentives for states to avoid strategic confrontation and war. States may still seek to alter the status quo in their favor but through political, economic, and diplomatic means with military force held in the background. Strategic competition will remain below the surface.

By affecting state strength and capacity, and by affecting patterns of trade, financial flows, production, and related issues, economic power can mitigate or reinforce security concerns. As observed earlier, sustained economic growth in large countries is a key driver of structural change in Asia. Sustained growth will also provide Asian countries with resources to build strong military capabilities and capacity in other areas. Their economic power (foreign aid, loans, investment by sovereign wealth funds, etc.) and other means could be deployed to competitively pursue foreign and security policy goals, including milieu goals. They could also be deployed to promote cooperation and build a regional community.

It has been argued that economic interdependence can decrease or at least reduce the incentives for conflict (McMillan 1997). Several propositions have been advanced in support of this argument. One is that the growing salience of capital as a factor of production and its increasing mobility decreases the incentives for conquest of territory and increases interest in peace and good government (Hirschman 1977). Second, it is argued that a high level of commercial interaction produces peace because it is in the self-enlightened interest of affected states. Economic disruption because of war would be costly to all parties (Rosecrance 1986). Third, the principles, norms, rules, procedures, and organizations established to facilitate smooth economic interaction also foster rule-governed behavior in other areas, advancing stability and predictability. A domestic-level argument is that international trade would bring about a redistribution of domestic political power in favor of those who benefit from international commerce and work against those who rely on military power and war for their influence (Solingen 1998). The redistribution of power also empowers actors and issues that could make the political system more open, accountable, and democratic. Here the economic interdependence pathway to peace merges with democratic peace or republican liberalism.

Those who counterargue that the benefits of economic interdependence may not be equally shared contest the argument that economic interdependence can reduce conflict and contribute to peace (Waltz 1979). Because of the inequality and dependency it creates, increased economic interaction may actually increase the potential for conflict. Another counterargument is that there is no connection between commercial activity that is conducted by individuals and corporations, and matters of war and peace that are the preserve of the state. Considerations of politics and power trump commercial matters when it comes to certain core issues like territory, national identity, and sovereignty. In these situations, even high levels of economic specialization and interdependence have not prevented international military conflict. In certain cases, political and strategic considerations have prevented mutually beneficial economic interaction.

Evidence can be found in Asia for the competing propositions. Economic growth and national modernization are very high priorities for nearly all Asian states. Their own growth as well as that of other countries in the region, the aspiration to become a developed country quickly, and the belief that economic growth holds the key to greater international position and influence as well as to address domestic challenges to sustain regime and government legitimacy all interact to produce an addiction to growth and a virtuous cycle. The high priority accorded to economic growth through participation in the global economy strongly argues for a stable international environment. It competes with and tempers traditional security priorities even in acute situations like that across the Taiwan Strait.

Economic interaction among major powers has grown despite strategic suspicion, competition, and military tension. Bilateral economic relations between the United States and China have burgeoned (from US$4.9 billion in 1980 to US$289 billion in 2005); the two countries are highly interdependent (in 2006 China was the second largest trading partner for the United States, and the latter was the top trading partner for China). Likewise, trade between India and China is increasing dramatically (though from a small base). Despite deep suspicion and competition for status and influence, the high level of economic interdependence between China and Japan continues. On the other hand, strategic considerations have obstructed otherwise mutually beneficial economic relations between Pakistan and India. A high level of economic interdependence has not prevented a rapid deterioration of political and strategic relations between Japan and China or transformed or resolved the conflict between China and Taiwan. However, economic consideration has been a significant factor in stabilizing the conflict across the Taiwan Strait. And economic incentives are a key component of the effort to resolve the North Korean nuclear problem and integrate North Korea into the international community.

Economic growth can reinforce as well as temper strategic competition among major powers. Economic interdependence has produced cooperation, competition, and tension in bilateral relations among them. This is evident in the benefits and tensions arising from the high level of economic interaction between the United States and China. It is not possible to evaluate the competing arguments with evidence from Asia in an overview chapter. However, it is not unreasonable to assert that the high priority accorded to economic development creates a vested interest in peace and stability. Increasing economic interdependence can create alternative lines of interaction and institutions that may modify or mitigate traditional security concerns and lines of enmity and foster rule-governed behavior that enhances predictability and stability. Generally, economic dynamism and growing economic interdependence make for a more complex strategic picture than painted by traditional security concerns. They have and are likely to further contribute to the development of a complex interdependence situation in Asia, which simultaneously supports cooperation, competition, and conflict. A complex interdependence situation increases the cost and decreases the incentives for overt use of force to resolve differences and disputes.

Evolutionary and Peaceful Systemic Change

Upon the termination of the Cold War, several analysts deploying the general theories of neorealism and neoliberalism, drawing on Europe's history, and emphasizing the institutional weaknesses and security challenges confronting Asia envisioned a dangerous region in which rivalry, power balancing, and conflict would be endemic (Buzan and Segal 1994; Friedberg 1993–94). Continuing this line of argument and positing the relatively peaceful 1990s as an anomaly, John Mearsheimer (2001) argues that the benign power structure (a consequence of inertia and low cost) and relative peace in Northeast Asia are not sustainable. Positing one decade of experience as too short, he argues that the 1990's decade is not a good indicator of the future. Continued U.S. involvement in Northeast Asia in his view is the key to peace and security in Northeast Asia. That would be contingent upon whether there will be a potential regional hegemon that the United States must help contain. If China does not become a hegemon, he asserts the United States would pull out. With Japan replacing the United States, the Northeast Asia system would become less stable due to more intense security competition linked to problems associated with Japan. If China does become a potential hegemon, Northeast Asia's multipolar system would become unbalanced, and the United States would retain forces to contain China. He advocates a shift in U.S. strategy from engagement to containment and a policy that would prevent China's economic growth.

Resting on a thin and contestable empirical base, such analysis suffers shortcomings in logic and prescription. The system in Northeast Asia in the 1990s was not multipolar. Counting Russia as a pole in Northeast Asia in the 1990s is highly questionable. The United States clearly was the predominant power. Incomplete unipolarity or hegemony would be a more accurate description and analytically useful conception (Mastanduno 2003). The contention that the United States would pull out if China does not become a potential hegemon is not supported by two decades of post-Cold War experience. Further, would it not be in the U.S. interest to stay and sustain a favorable balance of power that serves its purpose in an important region than simply relinquish a favorable position because there is no one to contain? Great powers do not only balance or contain another great power. They also pursue milieu goals (constructing social, political, security, and economic arrangements and institutions) to entrench their dominant position, enhance their authority, and advance their national interests. What would it take for China to be considered a potential hegemon? How long will this take? What happens till then? If it takes several decades for China to become a hegemon, would the United States pull out and then return to contain a hegemonic China? On policy prescription, is it within the power of the United States to start and stop China's economic growth? Can the United States slow China's economic growth without undermining the global economic system, which underpins its own power and influence? What would be the consequence of a protectionist world that could result from such a policy? Though simple and attractive, analysis and prescription based solely on a theory of offensive realism suffers serious shortcomings, is dangerous, and could be self-fulfilling.

Contrary to the "ripe for rivalry thesis," I had argued earlier that Asia has enjoyed relative peace and a high level of prosperity since the late 1970s (Alagappa 2003a, 2003b). The long peace in Asia started in 1979 well before the termination of the Cold War. Despite periodic political and economic crises and setbacks, and military tensions and clashes, there has not been a major war in Asia since 1979. The 1999 Kargil conflict came close, but that conflict was deliberately limited in purpose, geography, and military action. The long peace in Asia is now almost three decades old and cannot be considered an anomaly. The U.S. contribution to peace and security in Asia is certainly important, but it is not the only factor. Peace, security, and prosperity in Asia in the last three decades rested on several other pillars as well, including the consolidation of Asian countries as modern states, their increased capacity to defend themselves, increased ability to partake in regional and global arrangements in rule making and implementation, growing acceptance in Asia of the political status quo, and deep interest in a wide range of Asian countries in preserving peace and stability (Alagappa 2003b). Asia has been transformed from a region of turmoil and numerous hot wars (many of which

were waged by or with the support of external powers) to a relatively peaceful and prosperous region that has become a core world region.

The critical question is will this continue in light of the anticipated systemic change (change in the distribution of power as well as interaction change) anticipated from the rise of Asian powers? Much will hinge on the nature and pace of change. I argue that systemic change in Asia will be incremental, evolutionary, and relatively peaceful; revolutionary change through hegemonic war is unlikely.[15] Several reasons underlie my claim. First, increase in the power of the Asian countries including China will be gradual and likely to suffer reversals. There is no guarantee that China will realize its potential or that the United States will irreversibly decline or disengage from Asia. Although China's military power is increasing, it has limited regional force projection capability and has no significant global military capability. It appears unlikely to come close to matching that of the United States in the next two decades (Shambaugh 2005a). Second, although China may seek to alter the status quo to better serve its interests and enhance its influence, the disjuncture between power, prestige, and rules is not severe. An ascending China feels constrained by U.S. predominance, but it is also a beneficiary of the present international system. China does not want to be seen as a revisionist power, and Chinese behavior does not meet the definition of a revisionist power (Johnston 2003). The Chinese authorities, through the strategy of "peaceful rise," seek to cooperate with the United States and other major powers in addressing certain common international problems (Goldstein 2005). Such cooperation has helped keep China's economic development on track, enhanced Beijing's economic and diplomatic power and influence in Asia and the world, and helps constrain the United States. Third, except for the Taiwan situation, there is no issue that can make for a serious confrontation between the United States and China. Fourth, Beijing suffers a legitimacy deficit in the region that flows from its behavior in the early phase of the Cold War and from uncertainty as to how an ascendant China would use its newfound power. Although it has been successful in its policy of good neighborliness, it still has a long way to go in developing a strong claim to legitimacy for international governance. Finally, the Chinese approach to international governance is still reactive and pragmatic. Beijing has yet to fully develop ideas, values, and mechanisms that can harmonize its interests with that of other Asian powers and build a common worldview to organize the region on the basis of a common vision. These considerations imply that change will be incremental and relatively peaceful though not tension-free. As later discussion will show, circumscription of the role of force and the increasing salience of military force in the deterrence, defense, and assurance roles further underscore my claim that system or systemic change through major war is unlikely in Asia.

Success in peaceful change, however, hinges on the ability of the rising power to bring pressure on the dominant power, the willingness of the dominant power

to make concessions, and the ability of the two countries to resolve and harmonize differences in values and interests (Carr 1951). Through policies of engagement, successive U.S. administrations have sought to accommodate and integrate China into the international system; and China is becoming a key member of the international community in the economic arena and in several other areas, including arms control regimes (Kent 2007; Medeiros 2007). It is keen to be seen as a responsible power. However, there are also areas of serious disagreement especially in the political and security arenas. Except for the Taiwan situation, the differences are not so fundamental as to lead to major war. In a situation of incremental change, differences and disputes among major powers are likely to be resolved through bargaining, coercive diplomacy, and in rare cases through limited war. Full-scale war is highly costly and unlikely.

The Changing Role of Force in Asia

Military power is widely viewed as an important national asset and a key instrument of policy in the Asian security region. By devoting a substantial share of state revenue to defense, nearly all countries seek to develop credible military forces to ensure national security and, in the case of major states, to shape the regional security environment in line with their policy priorities. Ongoing and anticipated changes in the strategic environment and in military technology are stimulating modernization of military forces and development of new military capabilities, including in the nuclear arena. At the same time, the role of force in Asian international politics is becoming circumscribed and changing, with deterrence, defense, and assurance functions assuming greater salience.

Salience of Military Power

Nearly every country in the Asian security region devotes a significant percentage of government revenue to modernizing and developing its military capabilities. See Table 1-2 for an overview of defense expenditures by countries in the Asian security region. Table 1-3 provides details of the fifteen major defense spenders in the world. The United States accounts for about 46 percent of total world spending on defense, and that exceeds the combined total of the next fourteen countries on the list. With high rates of economic growth, Asian countries, especially the larger ones, are also able to allocate more resources to defense.

Military modernization programs are underway in all major states. Seeking to maintain an armed force without peer, the United States is transforming its military to meet four primary challenges: irregular challenges (defeating terrorist networks), catastrophic challenges (preventing acquisition or use of WMD and defending the homeland), disruptive challenges (shaping choices of countries at strategic crossroads), and traditional interstate security challenges (National Defense

TABLE I-2

Defense Expenditures in the Asian Security Region (1995–2005)
(in billion US$ at constant 2003 prices and exchange rates, for calendar years if not stated otherwise)

Country	1995		2000		2005	
	Expenditure	% GDP	Expenditure	% GDP	Expenditure	% GDP
United States[a]	357.382	3.8	342.172	3.1	504.638	4.1
Russia[b]	21.700	4.4	19.100	3.7	31.100	4.1
China[c]	15.000	1.8	23.800	2.0	44.300	2.0
India	12.550	2.7	17.697	3.1	22.273	2.8
Japan	42.471	1.0	43.802	1.0	44.165	1.0
North Korea[d]	5.232	25.2	2.049	12.7	n.a.	n.a.
South Korea	15.476	2.8	16.652	2.5	20.333	2.6
Mongolia	0.020	1.6	0.028	2.4	0.030	1.6
Taiwan	9.062	3.8	7.389	2.4	7.352	2.2
Burma (Myanmar)[e]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malaysia	2.055	2.8	1.677	1.7	3.120	2.4
Thailand	3.240	2.3	1.982	1.4	2.018	1.1
Vietnam[f]	0.91	4.3	2.303	7.3	n.a.	n.a.
Indonesia	2.613	1.6	2.242	1.0	3.410	1.2
Philippines	0.885	1.4	0.853	1.1	0.865	0.9
Singapore	3.378	4.4	4.634	4.7	5.468	4.7
Bangladesh	0.554	1.3	0.675	1.3	0.669	1.0
Nepal	0.049	0.8	0.063	0.9	0.175	2.1
Pakistan	3.435	5.3	3.320	3.7	4.534	3.5
Sri Lanka	0.863	5.3	0.904	4.5	0.612	2.6
Iran	2.351	2.4	6.695	5.4	9.057	5.8
Israel[g]	7.996	8.6	9.553	8.0	12.522	9.7

SOURCE: Expenditure data from *The SIPRI Military Expenditure Database 2007* available at: http://first.sipri.org/non_first/milex.php. Some data are from *The Military Balance* (London: Brassey's for the International Institute for Strategic Studies (IISS), 1996/97 and 2002/2003).
Where IISS data were used, the figures are expressed in constant U.S. dollars of the year.
[a]Figures for the United States are for financial years rather than calendar years.
[b]Figures for Russia are estimated total military expenditures.
[c]Figures for China are estimated total military expenditures.
[d]Figures for North Korea are from *The Military Balance 1996/97* and *2002/2003*.
[e]Figures for Burma are not represented in constant U.S. dollar terms because of the extreme variation in stated exchange rates between the kyat and the U.S. dollar.
[f]Figures for Vietnam are from *The Military Balance 1996/97* and *2002/2003*.
[g]Figures for Israel include military aid from the United States of US$2 billion annually.

Strategy 2005; Quadrennial Defense Review 2006). Since the early 1990s Beijing has accelerated defense modernization. In addition to building military capability focused on the Taiwan conflict, China is developing a strong modern navy to secure sea lines of communications and to project power, and it is developing its nuclear arsenal and space capabilities to enhance the effectiveness of its strategic deterrent (Shambaugh 2005a). India's military modernization is aimed at restoring conventional superiority over Pakistan, building a strategic deterrent capability against China, and building a regional force projection capability in support of its major power aspiration (Gill 2005). Japan's military modernization is designed to support a more proactive international role, including an expanded military

TABLE I-3

Major Military Spender Countries in 2006
(US$ at constant 2005 prices and exchange rates)

Military expenditure in MER dollar terms						Military expenditure in PPP dollar terms[a]		
Rank	Country	Spending ($ billion)	Spending per capita ($)	World share (%)		Rank	Country	Spending ($ billion)
				Spending	Population			
1	United States	528.7	1,756	46	5	1	United States	528.7
2	Britain	59.2	990	5	1	2	China	[188.2]
3	France	53.1	875	5	1	3	India	114.3
4	China	[49.5]	[37]	[4]	20	4	Russia	[82.8]
5	Japan	43.7	341	4	2	5	Britain	51.4
Subtotal top 5		*734.2*		*63*	*29*	*Subtotal top 5*		*965.5*
6	Germany	37.0	447	3	1	6	France	46.6
7	Russia	[34.7]	[244]	[3]	2	7	Saudi Arabia[b,c]	36.4
8	Italy	29.9	514	3	1	8	Japan	35.2
9	Saudi Arabia[b,c]	29.0	1,152	3	-	9	Brazil	32.0
10	India	23.9	21	2	17	10	Germany	31.2
Subtotal top 10		*888.7*		*77*	*50*	*Subtotal top 10*		*1,147.0*
11	South Korea	21.9	455	2	1	11	South Korea	30.1
12	Australia[c]	13.8	676	1	—	12	Iran[b]	28.6
13	Canada[c]	13.5	414	1	—	13	Italy	28.6
14	Brazil	13.4	71	1	3	14	Turkey	20.2
15	Spain	12.3	284	1	1	15	Pakistan	15.6
Subtotal top 15		*963.7*		*83*	*56*	*Subtotal top 15*		*1,270.2*
World		*1,158*	*177*	*100*	*100*	*World*		..

SOURCE: Stockholm International Peace Research Institute, *SIPRI Yearbook 2007*.
MER = market exchange rate; PPP = purchasing power parity; [ ] = Estimated figure
[a] The figures in PPP dollar terms are converted at PPP rates (for 2005), calculated by the World Bank, based on comparisons of gross national product.
[b] Data for Iran and Saudi Arabia include expenditure for public order and safety and might be slight overestimates.
[c] The populations of Australia, Canada and Saudi Arabia each constitute less than 0.5% of the total world population.

role in the region and beyond (Hughes 2005). Modernization would increase the strategic military capabilities of these countries, although the Asian countries also face technological, organizational, and human resource challenges in successfully implementing modernization programs.

National military assets figure prominently in the conflicts across the Taiwan Strait, on the Korean peninsula, and over Kashmir. In Asia, force is an option as well in the numerous border and other territorial disputes on land and at sea. Naval and air intrusions into disputed territories at sea and military responses to such intrusions have occurred in recent times even among major states (China and Japan). And both government and insurgent forces in domestic conflicts in China, India, Pakistan, Indonesia, Burma, Thailand, Philippines, Sri Lanka, and until recently Nepal deploy military force routinely and at times massively.

In addition to immediate security concerns, military modernization and development of new capabilities are also driven by considerations relating to the

balance of power in the region. To preserve its dominant position, Washington seeks to maintain a military force without peer. China is increasing its military power and reach with a view to enhancing its national power and position in Asia and to alter the regional balance of power in its favor (Shambaugh 2005a). Likewise, military modernization and development in India are driven not only by the ongoing conflict with Pakistan but also by balance-of-power and strategic autonomy considerations related to China (Gill 2005). Japan's move to become a normal state and to strengthen its military capability and the alliance with the United States is driven both by immediate concerns as well as to prevent Chinese dominance in the region (Hughes 2005).

Lack of International Regulation

Collective management of force is not a viable option in the Asian security region at present. Zealously guarding their sovereignty, the United States and the Asian powers do not accept constraints on their autonomy. There is no North Atlantic Treaty Organization (NATO)-like collective defense organization in Asia. The United States presents its bilateral military alliances in the region as a public good for regional peace and security. The primary purpose of that alliance system, however, is to serve U.S. national interests and those of its allies. Non-allies that feel threatened by the United States do not see the alliance system as a public good. Ad hoc concerts may form from time to time to manage specific issues. There are few bilateral and multilateral arms control measures restricting the possession and use of force in the region. Those that exist are designed primarily to build confidence or prevent accidental outbreaks of hostilities rather than to limit or regulate the use of force. Most Asian countries also score poorly on issues of accountability and transparency. There is no regional mechanism to advance these concerns. Military power in Asia remains very much a national asset that suffers little in the form of international regulation of its possession, deployment, and use.

Circumscription of Force

Despite this, the role of force in Asian international politics is becoming more limited due to a number of developments. First, the traditional need for force to protect the territorial integrity of states has declined in importance. With few exceptions (Taiwan, North Korea, and South Korea) state survival is not problematic. The Asian political map is for the most part internationally accepted, although some boundaries are still in dispute. Such disputes are being settled through negotiations or shelved in the interest of promoting better bilateral relations (Wang 2003).

Second, the political, diplomatic, strategic, military, and economic cost of using force has increased dramatically. Over the past several decades, a normative framework has developed in Asia that delegitimizes the use of force to invade and occupy another country or to annex territory that is internationally recognized as belonging to another state. The use of force to invade and occupy another country or to annex territory will incur high costs. For example, if China were to invade Taiwan without serious provocation, it can expect civil and military resistance in Taiwan, U.S. military intervention, international condemnation, and a setback to its image as a responsible power. Such action would also incur huge economic costs resulting from international and domestic disruptions. Unless military action were swift and surgical, it would also result in substantial physical damage that would only increase as Asian countries continued to modernize and urbanize. Further, military action that is not successful can have negative domestic political consequences as well.

Third, most Asian countries benefit from participation in the regional and global capitalist marketplace. The 1997–98 financial crisis sensitized Asian countries to the vagaries and negative consequences of globalization but did not turn them away from liberalization and participation in the global economy. Preserving international stability has become a key goal of major powers. Economic growth, modernization, and growing economic interdependence have increased the cost of the force option and restrained the behavior of states even when major political issues are at stake, as for example in cross-Strait relations. Economic interdependence does not close the force option in all cases, but the high costs of economic disruption can restrain military action. Further, force is no longer relevant for the attainment of economic goals such as access to resources, labor, and markets. Energy security, for example, is sought through the market, national stockpiling, and sourcing arrangements.

Finally, resolution of existing disputes through the use of force is not practical. Except for the United States, none of the Asian states can marshal the necessary military power to impose a settlement by force. The experience in Iraq and Afghanistan suggests that even the United States suffers limitations and that the use of force carries much risk. These considerations explain the reluctance of the United States to undertake preventive action against North Korea, the reluctance of China to carry out its threat of using force to unify Taiwan with the PRC, and the continuing stalemate in the India-Pakistan conflict over Kashmir. Force may still be used in these cases, but the attendant strategic, political, diplomatic, and economic costs and risks are high.

Thus, despite the many conflicts, substantial increases in defense expenditures, and the acquisition of more lethal capabilities, there has not been a full-scale war in Asia since 1979. The 1999 Kargil conflict came close, but India scrupulously limited the war initiated by Pakistan to territory occupied by Pakistani troops on the Indian side of the line of control. Over the past two decades, resort to the use of force in the Asian security region has been limited to border clashes, militant insurgencies, and occasional clashes at sea where the danger of escalation is low.

Force has also been used in a few cases in the coercive diplomacy role—as in the PRC's attempt to influence Taiwan's presidential election in 1996 and Pakistan's attempt to coerce India to the negotiating table on the Kashmir issue.

Deterrence, Defense, and Assurance to the Fore

The primary mission of the armed forces in most Asian countries is the protection of territorial integrity and populations from external threats, not military aggression and conquest. Deterrence and defense are the primary roles in carrying out the protection mission. Even in the most serious regional conflict across the Taiwan Strait the primary role of force from China's perspective is to dissuade Taiwan from declaring independence and to deter the United States from intervening in the event of hostilities. From the perspective of the United States, the purpose is to dissuade China and deter its forceful absorption of Taiwan, and, within limits, assure and control Taiwan. On the Korean peninsula, force is most relevant in the defense and deterrence functions. And in the India-Pakistan conflict, with growing recognition of the limitations of the offensive role of force including coercive diplomacy, deterrence appears to be becoming more important.

Assurance of allies is an important function of military power. A primary role of American alliances and forward deployment in Asia is to assure allies (Japan, Australia, South Korea, and Taiwan) and prevent them from pursuing undesired capabilities or engaging in undesired actions. Only the United States has deployed force in preventive and intervention roles to dislodge unacceptable regimes, to stop gross violation of human rights, or to prevent the acquisition of WMD. Asian countries do not support, or only reluctantly support, such actions. Even the United States has been reluctant since the Vietnam War to engage in such military action in Asia proper. Evidence over the last three decades supports the contention that the role of military force in Asian international politics is becoming more limited and that deterrence, defense, and assurance functions are becoming more prominent. How would nuclear weapons and ballistic missiles, and the introduction of BMD, affect this trend? These and related questions are investigated in the country chapters in Part II of this study.

Notes

1. The ensuing discussion of the colonial and Cold War eras is drawn from Alagappa (1998).

2. On the use of the Internet by terrorist groups, see Lim 2005.

3. For details about the Khan network, see Carnegie Endowment for International Peace, "A. Q. Khan Nuclear Chronology," *Issue Brief* 8 (8), September 7, 2005.

4. Fravel (2005) argues that regime insecurity best explains China's many compromises in its territorial disputes.

5. On possible scenarios and implications of violent resolution or irresolution of the Taiwan conflict for China and the United States, see Cliff and Shlapak (2007).

6. See, for example, Vogel (1979).

7. On soft balancing, see Paul (2006).

8. See, for example, Sutter (2005); Lampton (2005); and Elwell, Labonte, and Morrison (2006).

9. For an assessment of the China threat, see Ross (2005).

10. The "responsible stakeholder" phrase was used by Deputy Secretary of State Robert B. Zoellick (see Zoellick 2005).

11. On China's regional strategy see Zhang and Tang (2005).

12. See Chapter 5 by Chu and Rong this volume.

13. A revolutionary change in Japan's military capability and international security role, however, appears unlikely. See Mochizuki (2005).

14. Some argue that it is a one-sided rivalry since China matters far more for India than vice versa, and India on its own is not taken seriously by China (Shirk 2004). Others counter that Chinese indifference to India is feigned and that Beijing has a deliberate strategy that seeks indirectly to limit Indian influence to South Asia (Tellis 2004).

15. On incremental and revolutionary change, see Gilpin 1981.

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